

Derivation Process of Vision That Bind the Overall Business Performance

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Received: January 10, 2017

Accepted: January 24, 2017

Online Published: February 3, 2017

doi:10.5430/jms.v8n1p10

URL: <http://dx.doi.org/10.5430/jms.v8n1p10>

Abstract

This paper tried to unbundle three important factors related to vision: (1) what is the true definition of vision, (2) how to develop an implementable vision and (3) how to relate the vision to the overall strategy. The study performed series of comprehensive literature reviews from 40 published manuscripts while using an explanatory approach to explain the stated research question. From these steps, this study found that vision is not only a dream, but more to achievable dreams. Organizational vision must become a true direction for the overall strategy; therefore, it must be equipped with the ability to introduce several quantitative indicators. This study succeeded in explaining how the derivation process should be done. Our proposed model consisting of major steps introduce vision in a more practical basic way, thus providing guidance for a company that wants to be fruitful from their vision. Lastly, the study also provides a guidance related to how vision can be adopted into individual daily performance. By having this mechanism, we believe that vision will no longer mere a dream, but more to a dream that can be achieved.

Keywords: vision, organizational strategy, performance

1. Introduction

The importance of vision for an organization happened to be proven from academic point of view (Martin et al., 2014; Papulova, 2014; David and David, 2003; Lipton, 2003), but not always in related business field. To date, many organizations are struggling to get into the right and achievable vision (Kantabutra and Avery, 2010; Kantabutra, 2008; Baetz and Bart, 1996). Most of them testified that having a lovely-spoken vision has no guarantee for the certain dreams to be achieved.

Some scholars believed that a clear-strong vision might give firm guidance for the company to perform their strategy (Analui and Karami, 2012; Darbi, 2012; Sufi and Lyons, 2003; Bart et al., 2001; Klem et al., 1991). They posited vision as the groundbreaker of every policy and decision within organization. Therefore, good vision must be communicated effectively among all organizational members. Failing to do so will result in a negative impact on the overall performance.

It's posed that vision has direct-positive relations to organizational performance, this documentation shows how local hospitals in Taiwan tried to bind the stated vision and the ultimate achievement together. This document contains several important parts: (1) the analytical review from all published academic works as the foundation of how the hospital sees the pivotal parts of visions. (2) The brief history regarding how the vision was created and structured into a well-firm statement to be promoted. (3) The commitment of the organization to achieve the dreams by integrating every value from their vision into daily working reality. (4) Lastly, this document will clarify some important elements from the vision to be shared for another new generation. The idea was trying to prolong the vision from one managerial generation to the next generations.

The author believes that the management team might change, leadership style could be easily disrupted, but the true norms must stand still. Therefore, this document – which is supported not only from the practical point of view but also from academic point of view – may be the best guidance to manage the hospital to become the best health care service provider among the society.

2. Analytical Review

2.1 Defining Vision

Our analytical views begin with finding the true definition of vision. Due to its plethora of studies, defining vision is not simple. Some said that vision happens just like dreams, but others seem to justify the definition over doubtful thoughts. According to Grusenmeyer (2001), mission-vision-values and goals are the foundations of the organization. Without further justification, the author posited the interconnection among the four elements. Moreover, deeper analyses into the top fifty US companies found that vision-mission-corporate values are the trigger to create strong harmonization in addressing one ultimate goal (Bratianu and Balanescu, 2008). Through this research, vision stands at the top position. Meanwhile, mission shall be seen as a component which supports the vision to become stronger over the long term. And for the short run, the two elements must be implemented into firm corporate value.

Though the finding is somewhat abstract, but most qualitative research found the similar things (see Marthur and Kenyon, 1998; Collins and Porras, 1994). In this regard, to date, more researches have confirmed these thoughts. Vision – mission – values should be accounted together to create a firm strategy in providing the best service to all stakeholders (King et al., 2012; Verna, 2010; Barkus and Glassman, 2008; Barnet, 2003; Ross and Victor, 1999). Up to this point, the acknowledgement of vision should be as the basis for mission and corporate values.

The way we address the true definition of vision is making confirmation of ‘what do you want to be’. According to De Waal (2007), high-performance organizations must begin with the ultimate dreams. Organizations really need to know what should be achieved on certain periods. Though it seems common sense, but the previous statement must be understood as the requirements to highlight the most appropriate time to achieve the vision. Upon this term, we acknowledged that vision should be long-term orientation by highlighting the importance of deadline on which organization should set to realize their dreams.

Apart from the time-duration issue, good vision must be equipped with firm characteristics. Before formulating our hospital’s visions, a comprehensive academic literature review was conducted in conjunction with the dreams of all founding fathers. We tried to follow Larwood et al. (1995), Forward et al. (1991), Hitt and Tyler, (1991), Daft and Weick (1984), in conceptualizing vision as a multifaceted structure that represents the targeted company size, performance and efforts in serving the society as a whole.

This makes logical. As a hospital, our main customers are the society as whole, including the role of stakeholders. Organizational vision was created to use stakeholder’s interest as the main structure. This was aligned with Kriger (1990), Larwood et al. (1993), which appoints an organizational vision as the basic philosophy to address all stakeholders’ interests. Moreover, one unique finding from series of previous research is the importance of linking the three components: (1) vision, (2) mission and (3) values.

2.2 Vision-Mission Relations

Some scholars addressed mission as a product derivation from vision. Our literature review found that this is not actually affirmed by our perspective. We followed Baum et al. (1998), and Lipton (1996) who posed that mission should address ‘what business are we in’. As a healthcare provider, our hospital tries to apply both vision and mission into the original purpose in establishing the organization.

Vision and mission should be regarded as an integrative norm which directs all organizational members to follow one direction towards the eternal destination. Using accounting rules of thumb, it can be defined as the going concern issues. The organization used mission as their code of conduct in providing the best health care service to the stakeholder. In retrospect of the concept proposed by Rahimnia and Moghadasian (2011), using the grey system theory, organizational vision should be able to be derived at the quantitative measurement. Up to this point, we might see that mission shares similar characteristics with vision. The difference among the two was found on its time frame. Vision should share longer time frame compared to mission. Meanwhile, mission must be based on daily basis measurement.

Having posited the previous idea, every single policy, program and daily routine in our organization should have clear contribution to the achievement of vision. By doing this, an organization tends to be well-managed, since everyone shares the same understanding concerning how to perform their daily tasks and what would be their contribution to the overall part. This systematic mechanism and process had justified by some academic works as ‘vision by design’ (Ford and Pasmore, 2006; Finkelstein et al., 2008; Kelly, 2000; Kenny, 1994).

2.3 Our Insights

In regard to all previous published academic works, we initiated our definition related to organizational vision with an inspiring statement which represents the noble values that are willing to be achieved by all members upon respective time. Moreover, vision should envision every single policy, decision and corporate code of conduct. To apply organizational vision into the daily basis routine, we emphasized the role of mission. Without prior judgement on how the two must be differentiated, our organization tends to use vision and mission as interrelated components which create strong spirits to all members, including on how our hospital should deal with stakeholder.

Moreover, this document also posited the importance to include the time-frame concerning when the vision should be achieved. We tend to define long-term time frame as five years of operation, while short term will be defined as less than one year. Up to this essence, our hospital vision was designed to realize the ten years of accomplishment. Meanwhile, for annual basis, we tend to use an organizational mission and corporate values as daily performance.

Having treated the three components as foundation, our organization also emphasized on the dynamic effects of vision. Having strictly vision would damage the performance of the organization especially upon economic-downturn (Wilson and Eilertsen, 2010; Schoemaker, 1992). Therefore, when formulating organizational vision, we used dynamic capabilities model, following Pisano (2015), Protogerou et al. (2007), Lawson and Samson (2001). Our organizational vision shares some important components which represent the flexibilities, futuristic and humanism.

3. Method

The study used an explanatory approach from qualitative perspective. We begin with comprehensive literature review from 48 published manuscripts, published by some popular journals in management and business, including Strategic Management Journal, Academy of Management Journal and Journal of Business Ethics. From these steps, we found signals that vision can be used as a clear benchmark on how organization should achieve their dreams. A good vision must be equipped with strong characteristics to be applied into more practical mechanism.

Those findings were then deepened by exploring some other journals which mentioned the clear method on how the derivation process must be done. These steps are crucial in developing the firm model which further should be used as basis in the derivation process. Lastly, all the vital elements are combined together to find an appropriate linkage on how vision can be applied into daily individual performance basis. This would be the pivotal outcome from the study.

4. Our Visions

Based on all previous logical thinking platforms the hospital tends to pose the vision statement as follows:

To be the best health care service provider that focuses on enhancing patients' quality of lives for the local community

Looking back to the previous vision statement, the founding fathers implied that as the local hospital, an organization needs to act as intermediaries between patients – especially for patients living alone - and the health care service providers. The hospital should emphasize its performance on several indicators such as: fast, reliable, accurate, convenience and professional medical services. The spirit should be applied to all stakeholders without prior justification upon their social classes, educational backgrounds, professions and any other indicators.

Furthermore, the vision already strongly posed the role of stakeholder as the ultimate service object for the organization. This will be implemented by providing special services to the community through the spirits of door-to-door medical treatments including allocating more budgets to be invested on updated medical stuffs. The idea will be used as firm guidance for future policy and strategy. Reinvestment rate – in terms of financial calculation – must be improved, showing the great concern on the quality of service.

5. Visioning the Vision

The most important part after formulating the vision is to identify how it should be implemented on a daily basis. As a non-profit organization, it is not easy for the hospital to be independent in terms of financial support. But on the other hand, hospitals cannot depend more on patients' contributions, especially from those in need. Therefore, before proposing the proper methods in performing the vision, we carefully analyze all related published academic works to look for the most appropriate benchmark. Our effort goes to series of research done by Li (2005), Brecken (2004), Testa (1999), Farmer et al. (1998), Collins and Porras (1991), Mariasse (1985).

In retrospect of the initial thoughts while combining with several former researches, we affirmed to pose the Hospital vision model as seen on Figure 1.

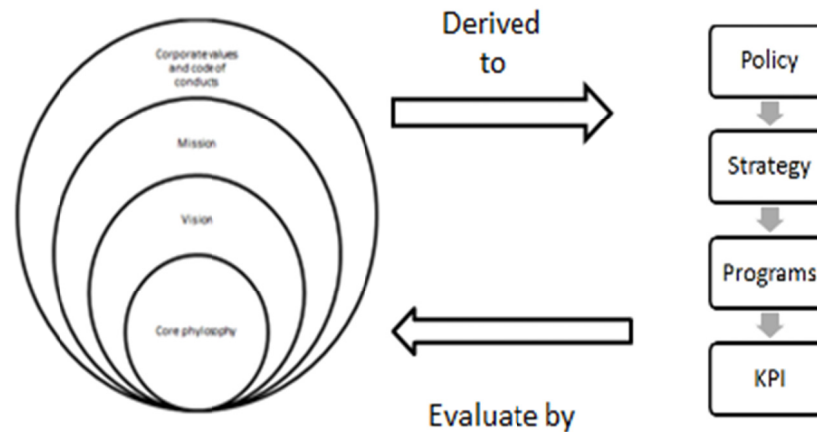


Figure 1. Vision model of the organization

Source: own formulation

Retrieving from Figure 1, vision was seen as an integrated element which represents all important variables such as (1) core-philosophy, (2) vision, (3) mission and (4) corporate values and code of conduct. For operationalization, the four variables are then applied to (1) organizational policy, including those who deal with people, environment and any related factors, (2) organizational strategy, including the grand strategy down into each functional strategy, ranging from marketing strategy, financial strategy, human resource strategy, operational strategy, technology strategy and all supporting strategy, (3) programs level, including routine and non-routine programs and (4) key performance indicators which justify each member's contribution to the overall vision achievement.

The systematic point of thoughts are our uniqueness in which we appoint the KPI (key Performance Indicators) as means to show one contribution not only to individual performance or organizational performance, but also straight to the overall vision. Having posting the idea, we believed that the uniqueness of this hospital tends to be useful over the long term.

Another important issue that should be addressed in this document was related to how individual performance must be directed to the overall vision. We refer to the works done by Zheng et al. (2010), Balmer et al. (1997), Cooke and Rousseau (1988), Posner and Kouzes (1985), Denison (1984) and come-up with the following model (Figure 2).

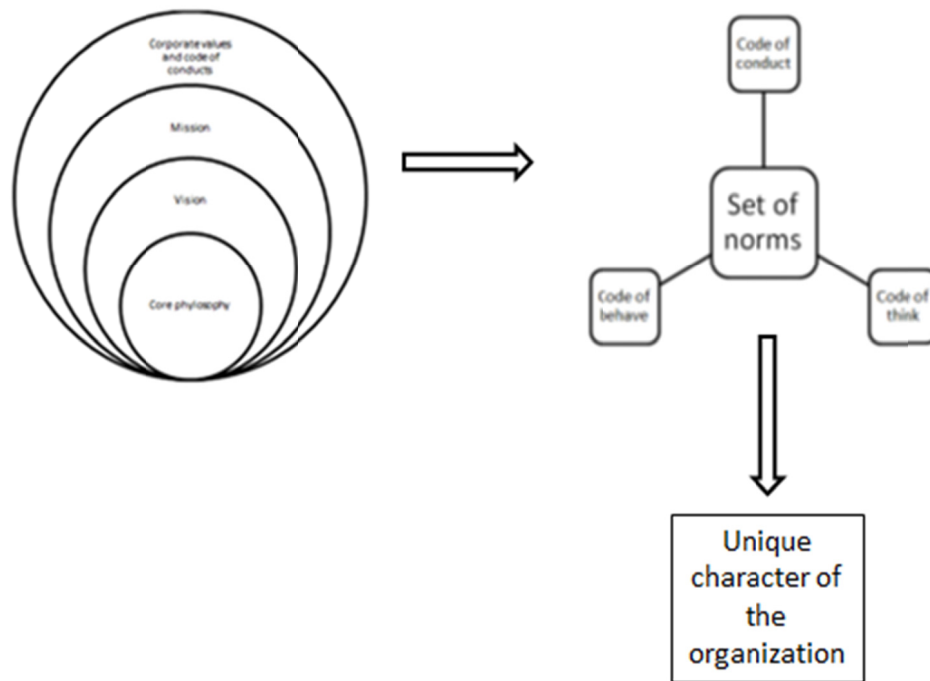


Figure 2. Derivation model unto individual performance

Source: own model

From Figure 2, we can see that the revelation of vision in our hospital should begin with sets of norms which consist of (1) code of conduct which guides every working activities, (2) code of behavior which guides every behavior within organization and (3) code of thinking which directs all logical processes that should be performed by every member of the organization. Unconsciously, this revelation tends to provide unique characteristics to every people who currently are living in the organization. This would be the top level of identity for the organization (Bartlet and Goshal, 2002; Bhatt, 2001; Grant, 1996; Barney, 1986)

6. Conclusion

Our analysis on the basic essence of vision tends to address new paradigm on the related fields of knowledge. Vision and mission should be understood as integrative elements which share a close relationship with each other. Having carefully analyses of all related academic publication, we firmly proposed our thoughts regarding vision and how it should be implemented into daily work lives. One important finding in this essay is that every individual performance should be directly measured into the vision achievement process. By acknowledging the idea, every employee will realize that their daily activities tend to contribute something to the achievement of organizational vision, thus envisioning the vision. Furthermore, vision should bind together with mission and the core value to create firmly sets of norm. These sets of norms will tend to develop sharper critical thinking, more polite code of conduct and as behavioral guidance which make point of difference among other players. Our study succeeded to pose that this uniqueness should be used to develop future competitiveness to deal with the upcoming challenges. In other words, vision-mission and the core value tend to create strong corporate culture as ways to preserve the basic idea brought in by the founding fathers.

By acknowledging the idea, every employee will realize that their daily activity tend to contribute something to the achievement of organizational vision, thus envisioning the vision.

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